

Hearing Date: June 28, 2023, at 10:00 a.m. (prevailing Eastern Time)
Objection Deadline: June 21, 2023, at 4:00 p.m. (prevailing Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
CELSIUS NETWORK LLC, et al., ¹)	Case No. 22-10964 (MG)
)	
Debtors.)	(Jointly Administered)
)	

**NOTICE OF HEARING ON
DEBTORS' MOTION FOR ENTRY OF AN
ORDER (I) AUTHORIZING CHRISTOPHER FERRARO TO ACT AS
FOREIGN REPRESENTATIVE AND (II) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that a hearing on the *Debtors' Motion for Entry of an Order*

(I) Authorizing Christopher Ferraro to Act as Foreign Representative and (II) Granting Related Relief (the “Motion”) will be held on **June 28, 2023, at 10:00 a.m., prevailing Eastern Time** (the “Hearing”). In accordance with General Order M-543 dated March 20, 2020, the Hearing will take place in a hybrid fashion both in person and via Zoom for Government. Those wishing to

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

participate in the Hearing in person may appear before the Honorable Martin Glenn, Chief United States Bankruptcy Judge, in the United Stated Bankruptcy Court for the Southern District of New York, in Courtroom No. 523, located at One Bowling Green, New York, New York 10004-1408. Those wishing to participate in the Hearing in person are required to wear a mask when not speaking or presenting. Parties wishing to appear at the Hearing live or via Zoom, whether making a “live” or “listen only” appearance before the Court, need to make an electronic appearance (an “eCourtAppearance”) through the Court’s website at <https://ecf.nysb.uscourts.gov/cgibin/nysbAppearances.pl>. Electronic appearances (eCourtAppearances) need to be made by **4:00 p.m., prevailing Eastern Time, on June 27, 2023.**

PLEASE TAKE FURTHER NOTICE that due to the large number of expected participants in the Hearing and the Court’s security requirements for participating in a Zoom for Government audio and video hearing, all persons seeking to attend the Hearing at 10:00 a.m., prevailing Eastern Time on June 28, 2023 must connect to the Hearing beginning at 9:00 a.m., prevailing Eastern Time on June 28, 2023. When parties sign in to Zoom for Government and add their names, they must type in the first and last name that will be used to identify them at the Hearing. Parties that type in only their first name, a nickname, or initials, will not be admitted into the Hearing. When seeking to connect for either audio or video participation in a Zoom for Government Hearing, you will first enter a “Waiting Room” in the order in which you seek to connect. Court personnel will admit each person to the Hearing from the Waiting Room after confirming the person’s name (and telephone number, if a telephone is used to connect) with their eCourtAppearance. Because of the large number of expected participants, you may experience a delay in the Waiting Room before you are admitted to the Hearing.

PLEASE TAKE FURTHER NOTICE that copies of the Motion and other pleadings filed in these chapter 11 cases may be obtained free of charge by visiting the website of Stretto at <https://cases.stretto.com/celsius>. You may also obtain copies of the Motion and other pleadings filed in these chapter 11 cases by visiting the Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

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New York, New York
Dated: June 14, 2023

/s/ Joshua A. Sussberg

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	Case No. 22-10964 (MG)
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Debtors.)	(Jointly Administered)
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**DEBTORS' MOTION FOR ENTRY OF AN
ORDER (I) AUTHORIZING CHRISTOPHER FERRARO TO ACT AS
FOREIGN REPRESENTATIVE AND (II) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) state the following in support of this motion (this “Motion”):

Relief Requested

1. The Debtors seek entry of an order, substantially in the form attached hereto as Exhibit A (the “Order”): (a) authorizing Christopher Ferraro to act as foreign representative on

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

behalf of the Debtors' estates (the "Foreign Representative") in legal proceedings in the Court (as defined below); and (b) granting related relief.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the Southern District of New York, entered February 1, 2012. The Debtors confirm their consent to the Court, pursuant to rule 7008 of the Federal rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105, 1107, and 1505 of title 11 of the United States Code (the "Bankruptcy Code") and rule 9013-1 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules").

Background

5. The Debtors, together with their non-Debtor affiliates (collectively, "Celsius"), are one of the largest and most sophisticated cryptocurrency based finance platforms in the world and provide financial services to institutional, corporate, and retail clients across more than 100 countries. Celsius was created in 2017 to be one of the first cryptocurrency platforms to which users could transfer their crypto assets and (a) earn rewards on crypto assets and/or (b) take loans using those transferred crypto assets as collateral. Headquartered in Hoboken, New Jersey, Celsius

has more than 1.7 million registered users and approximately 300,000 active users with account balances greater than \$100.

6. On July 13, 2022 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. A detailed description of the facts and circumstances of these chapter 11 cases is set forth in the *Declaration of Robert Campagna, Managing Director of Alvarez & Marsal North America, LLC, in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 22]. The Debtors commenced these chapter 11 cases to provide Celsius an opportunity to stabilize its business and consummate a comprehensive restructuring transaction that maximizes value for stakeholders.

7. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The chapter 11 cases of the Initial Debtors have been consolidated for procedural purposes only and are jointly administered pursuant to Bankruptcy Rule 1015(b) [Docket No. 53]. Concurrent with the filing of this Motion, the Debtors have also filed a motion requesting procedural consolidation and joint administration of the chapter 11 cases of the GK8 Debtors with the chapter 11 cases of the Initial Debtors pursuant to Bankruptcy Rule 1015(b). On July 27, 2022, the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed an official committee of unsecured creditors in the Initial Debtors’ chapter 11 cases [Docket No. 241] (the “Committee”). On September 29, 2022, the Court entered an order directing the appointment of an examiner in these chapter 11 cases. [Docket No. 920]. On April 4, 2023, the Court entered an order discharging the examiner [Docket No. 2364].

Appointment of a Foreign Representative

8. Christopher Ferraro, Chief Restructuring Officer, Chief Financial Officer, and Interim Chief Executive Officer of Celsius Network Limited, as the proposed Foreign Representative, will seek ancillary relief in Great Britain on behalf of the Debtors in the High Court of Justice, Business and Property Courts, Insolvency and Companies List (ChD) (the “English Court”) pursuant to the Cross Border Insolvency Regulations (2006) (the “CBIR”).

9. The purpose of the ancillary proceeding (the “English Proceeding”) is to request that the English Court recognize the chapter 11 case of Celsius Network Limited as “foreign main proceedings”² under the applicable provisions of the CBIR on the basis that, among other reasons, Celsius Network Limited’s center of main interests is located in the United States. Such recognition will allow the foreign representative to, among other things, seek an order from the English Court, protecting the Debtors’ assets and operations in the Great Britain and staying self-help remedies which are existing or may be taken in the future by creditors, stakeholders, and any other parties in interest following the commencement of the chapter 11 cases.

10. The Debtors request authorization to appoint Christopher Ferraro as Foreign Representative in connection with the English Proceeding to satisfy the requirements of the CBIR. Specifically, Chapter III, Article 15 of the CBIR provides that “a foreign representative”³ may apply to [the English Court] for recognition of the foreign proceeding⁴ in which the foreign

² A “foreign main proceeding” is defined in Schedule 1, Chapter 1, Article 2 of the CBIR to mean “a foreign proceeding taking place in the State where the debtor has the centre of its main interests.”

³ A “foreign representative” is defined in Schedule 1, Chapter 1, Article 2 of the CBIR to mean “a person or body, including one appointed on an interim basis, authorised in a foreign proceeding to administer the reorganisation or the liquidation of the debtor’s assets or affairs or to act as a representative of the foreign proceeding.”

⁴ A “foreign proceeding” is defined in Schedule 1, Chapter 1, Article 2 of the CBIR to mean “a collective judicial or administrative proceeding in a foreign State, including an interim proceeding, pursuant to a law relating to insolvency in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganisation or liquidation”

representative has been appointed.” The CBIR requires that any application for recognition be accompanied by:

- (a) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative; or (b) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or (c) in the absence of evidence referred to in subparagraphs (a) and (b), any other evidence acceptable to the court of the existence of the foreign proceeding and of the appointment of the foreign representative.

CBIR, Ch. III, Art. 15.

11. Absent an order of this Court, the Debtors may find it difficult to satisfy the requirements set out in the CBIR for an application recognizing these chapter 11 cases. Accordingly, for Mr. Ferraro to be recognized as the Foreign Representative in the English Proceeding, and thereby apply to have the chapter 11 cases of the Debtors recognized by the English Court, this Court must enter an order authorizing Mr. Ferraro to act as the Foreign Representative in the English Proceeding. If the order is entered, Mr. Ferraro will be able to file such order with the English Court as the instrument authorizing him to act as the Foreign Representative pursuant to Chapter III, Article 15 of the CBIR. At this time, the Debtors have no intention of seeking recognition in any additional jurisdictions.

Basis for Relief

12. Although the provisions of chapter 15 of the Bankruptcy Code generally do not apply to other chapters of the Bankruptcy Code, pursuant to section 103(k)(1) of the Bankruptcy Code, section 1505 of the Bankruptcy Code applies to any case under the Bankruptcy Code. Specifically, section 103(k)(1) of the Bankruptcy Code provides that “[c]hapter 15 applies only in a case under such chapter, except that—(1) sections 1505, 1513, and 1514 apply in all cases under this title.” 11 U.S.C. § 103(k)(1).

13. Section 1505 of the Bankruptcy Code allows a debtor in possession to obtain a court order recognizing the debtor in possession as the foreign representative of the debtor's estate, in order to submit a petition to a foreign court requesting recognition of the debtor's chapter 11 case and any other relief permitted by applicable foreign law. Specifically, section 1505 of the Bankruptcy Code provides:

A trustee or another entity (including an examiner) may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

11 U.S.C. § 1505.

14. Furthermore, section 1107(a) of the Bankruptcy Code provides, in relevant part, that:

[s]ubject to any limitations on a trustee serving in a case under this chapter, and to such limitations or conditions as the court prescribes, a debtor in possession shall have all the rights, other than the rights to compensation under section 330 of this title, and powers, and shall perform all the functions and duties . . . of a trustee serving in a case under this chapter.

11 U.S.C. § 1107(a).

15. Sections 1107 and 1505 of the Bankruptcy Code confer upon Mr. Ferraro sufficient rights, powers, and duties to act as Foreign Representative of the Debtors' estates. However, to avoid any possible confusion or doubt regarding this authority and to comply with the requirements of Chapter III, Article 15 of the CBIR, the Debtors seek entry of an order, pursuant to section 1505 of the Bankruptcy Code, authorizing Mr. Ferraro to act as the Foreign Representative of the Debtors' estates in the English Proceeding.

16. This relief will allow coordination of the chapter 11 cases and the English Proceeding and provide an effective mechanism to protect and maximize the value of the Debtors'

assets and estates. Specifically, the English Proceeding will allow the Debtors to seek orders of the English Court, ensuring that the relief granted in this Court is enforceable in Great Britain and that creditors in the United States and Great Britain are subject to similar stays as a result of the commencement of these chapter 11 cases.

17. Courts in this district and others routinely grant relief similar to that requested herein in other large chapter 11 cases where a debtor has foreign assets or operations requiring a recognition proceeding. *See, e.g., In re Voyager Digital Holdings, Inc.*, No. 22-10943 (MEW) (Bankr. S.D.N.Y. July 7, 2022); *In re Sungard AS New Holdings, LLC*, No. 22-90018 (Bankr. S.D. Tex. Apr. 12, 2022); *In re BJ Servs., LLC*, No. 20-33627 (Bankr. S.D. Tex. Aug. 10, 2020); *In re Hollander Sleep Prods., LLC*, No. 19-11608 (MEW) (Bankr. S.D.N.Y. May 22, 2019); *In re CGG Holdings (U.S.) Inc.*, No. 17-11637 (MG) (Bankr. S.D.N.Y. June 15, 2017).

18. Accordingly, the relief requested herein is necessary and appropriate and should be granted in all respects.

Motion Practice

19. This Motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of their application to this Motion. Accordingly, this Motion satisfies Local Rule 9013-1(a).

Notice

20. The Debtors will provide notice of this Motion to the following parties or their respective counsel: (a) the U.S. Trustee; (b) counsel to the Committee; (c) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (d) the United States Attorney's Office for the Southern District of New York; (e) the Internal Revenue Service; (f) the offices of the attorneys general in the states in which the Debtors operate; (g) the Securities

and Exchange Commission; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

21. No prior request for the relief sought in this Motion has been made to this or any other court.

[Remainder of page intentionally left blank]

WHEREFORE, the Debtors request that the Court enter the Order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

New York, New York
Dated: June 14, 2023

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Counsel Debtors and Debtors in Possession

Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	Case No. 22-10964 (MG)
)	
Debtors.)	(Jointly Administered)
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**ORDER (I) AUTHORIZING CHRISTOPHER FERRARO TO ACT AS
FOREIGN REPRESENTATIVE AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”): (a) authorizing Christopher Ferraro to act as foreign representative on behalf of the Debtors’ estates (the “Foreign Representative”) in the English Proceeding; and (b) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the Southern District of New York, entered February 1, 2012; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of these cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing thereon

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² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. Christopher Ferraro is hereby authorized to: (a) act as the Foreign Representative of the Debtors in the English Proceeding; (b) seek recognition of the Debtors’ chapter 11 cases in the English Proceeding; (c) request that the English Court lend assistance to this Court in protecting the property of the Debtors’ estates; and (d) seek any other appropriate relief from the English Court that Christopher Ferraro deems just and proper in the furtherance of the protection of the Debtors’ estates.
3. This Court requests the aid and assistance of the English Court to recognize the Debtors’ chapter 11 cases as a “foreign main proceeding” and Christopher Ferraro as a “foreign representative” pursuant to the Cross-Border Insolvency Regulations (2006), and to recognize and give full force and effect to this Order.
4. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.
5. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the Local Rules are satisfied by such notice.

6. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

New York, New York
Dated: _____, 2023

THE HONORABLE MARTIN GLENN
CHIEF UNITED STATES BANKRUPTCY JUDGE